ONTARIO LOTTERY CORPORATION

ANNUAL REPORT 1982/1983

85-0038/

September 30, 1983

The Honourable Reuben Baetz
Minister of Tourism and Recreation
1200 Bay Street
Toronto, Ontario M5R 2A6

Dear Mr. Baetz:

Pursuant to the provisions of the Ontario Lottery Corporation Act, I have the pleasure of presenting to you the eighth annual report of the Ontario Lottery Corporation for the year ending March 31, 1983.

Yours very truly,

J. Gilbert Bowness

J. Gilbert Bowness
Chairman of the Board

CHAIRMAN'S REPORT

For the past eight years, the people of Ontario and their lotteries have proved a winning combination. Whether prizewinners, grant recipients, retailers or research foundations, the millions of dollars raised by lotteries have provided a prosperity felt by every citizen in the province.

I am pleased to report that in fiscal year 1982/83, the Ontario Lottery Corporation continued its contribution to this prosperity. Profits dedicated to improving the quality of life in Ontario reached $163 million, surpassing last year's record performance by $6 million. Ticket sales and prizes of $550 million and $294 million respectively, were also up, making this year the Corporation's best ever.

Under the umbrella of the Trillium Foundation, more than 40 province-wide social-service organizations were added to the long list of eligible lottery beneficiaries. Up to $15 million from lottery proceeds will go to these agencies annually, with the first $5 million installment dedicated in 1982/83.

There's no doubt the $860 million in net profit/proceeds generated from lottery revenues over our eight-year history has made an indelible imprint on Ontario's economic framework.

And in the forefront of economic beneficiaries is Ontario's construction industry. Wintario's capital grant program alone has stimulated $1.5 billion in construction and related activity, yielding more than 12,000 jobs and some 16,000 man-years of work for architects, engineers, construction workers, manufacturers and suppliers.

Lottario and Super Loto have also channelled millions of dollars into Ontario's construction industry through sports, fitness, recreational, cultural and hospital capital projects.

Provincial lottery proceeds have funded important research projects in the health, environmental and social service fields.

Economic ramifications, however, don't stop there. Small business has benefited from more than $44 million paid in commissions to retailers and distributors across the province. And prizewinners contribute to Ontario's economic well-being by purchasing consumer products with their winnings, completing the reinvestment cycle of lottery dollars.

Benefits from Ontario's lotteries have, indeed, reached every corner of our province. With on-going support from players, the Ontario Lottery Corporation welcomes the opportunity to play a continuing role in Ontario's bright and prosperous future.

J. Gilbert Bowness
Chairman of the Board

PRESIDENT'S REPORT

Innovation and change underscored all the Ontario Lottery Corporation's activities during the fiscal year 1982/83. The result was a record $550 million in revenue, a noteworthy $43 million increase over last year, indicating continued player support in a demanding economic environment.

Maintenance of player interest was accomplished in a variety of ways, starting with the introduction in June of the newest interprovincial game, Lotto 6/49. Generating over $51 million in ticket sales, Lotto 6/49 saw participation grow steadily, peaking with the March 26, 1983 draw, which boasted a $3.89 million Jackpot. That week, record combined sales of both on-line games, Lottario and Lotto 6/49, exceeded $9 million.

The introduction of merchandise prizes represented a fresh and exciting innovation for players. Super Loto offered 1,000 domestically-produced automobiles across Canada as bonus prizes during the July and August draws. This created tremendous player enthusiasm, doubling ticket sales in Ontario for those two months.

In February, Wintario, too, began offering cash and merchandise prizes, including small and large appliances, televisions and cars in the Mystery bonus draw.

But this is only part of the story. Ontario manufacturers are winners as well, since all Mystery bonus merchandise prizes are produced in this province.

Wintario also introduced other game variations such as a growing jackpot prize called 'Snowball' and two three-week bonus draws offering over $2 million each in cash bonus prizes.

Lottario maintained last year's average weekly sales of $3.9 million, demonstrating continued popularity of our original on-line game. Provincial made an extra $7.9 million available to players in four theme-oriented bonus draws.

The Corporation's success during fiscal year 1982/83 stemmed from the revitalization of our products to meet the needs of an ever-changing market. Credit for this success must go to the exceptional efforts of the Corporation's board of directors, staff, distributors and retailers and, most importantly, players who support our lotteries so loyally.

D. Norman Morris, CA
President

BOARD MEMBERS

During fiscal year 1982/83 the Corporation's board of directors combined their dedication and knowledge to produce a year of innovation. Representing a cross-section of geographical and cultural diversity, the board applied its 'hands on' experience to all areas of corporate policy to maximize efficiency of our operation.

J. Gilbert Bowness, chairman—North Bay (Sept. 22, 1976–Feb. 16, 1985). Appointed chairman in February, 1979, Mr. Bowness also serves as vice-chairman of the Interprovincial Lottery Corporation. A senior executive with an investment firm, Mr. Bowness provides essential input on needs and trends in northern Ontario.

Donald J. MacLean, vice-chairman—Willowdale (Feb. 17, 1976–Feb. 16, 1985). A director of the Interprovincial Lottery Corporation, Mr. MacLean has served as a senior official for a number of organizations including the Art Gallery of Ontario and Mount Allison University.

Mary F. Callaghan, director—Toronto (Feb. 17, 1981–Feb. 16, 1984). Mrs. Callaghan uses her journalism background to complement the extensive talents of the board. She is currently involved in a number of publications including the Toronto Symphony News.

Fern Guindon, director—Cornwall (Feb. 17, 1975–Feb. 16, 1984). A director since the Corporation started, Mr. Guindon held key cabinet posts from 1957–1974 in the Ontario Legislature as member for Stormont.

Albert Hansen, director—Ottawa (Oct. 29, 1981–Feb. 16, 1985). A retired automotive executive, Mr. Hansen provides invaluable knowledge on the workings of Ontario's private industry. He is also a director of the Interprovincial Lottery Corporation.

Monique Jacques, director—Kapuskasing (Feb. 17, 1981–Feb. 16, 1984). Chairman of the board's Finance Committee, Mrs. Jacques is also vice-chairman of the Kapuskasing Separate School Board.

C. Ronald S. MacKenzie, MD, director—St. Catharines (Feb. 17, 1981–Feb. 16, 1984). Dr. MacKenzie is a gynaecology floor chief at Hotel Dieu Hospital and is a specialist in obstetrics and gynaecology.

D. Norman Morris, CA, president—Mississauga. Mr. Morris is the chief executive officer of the Corporation and a director of the Interprovincial Lottery Corporation.

C. Gordon Ross, BD, director—Scarborough (Feb. 17, 1983–Feb. 16, 1986). Ordained a United Church minister in 1967, Mr. Ross is presently pastor of Knob Hill United Church.

Ontario Lottery Corporation Senior Staff

D. Norman Morris, president

Adam Hawkins, executive vice-president

J. Michael Holroyde, vice-president, Sales and Distribution

Douglas R. Mackie, vice-president, Marketing

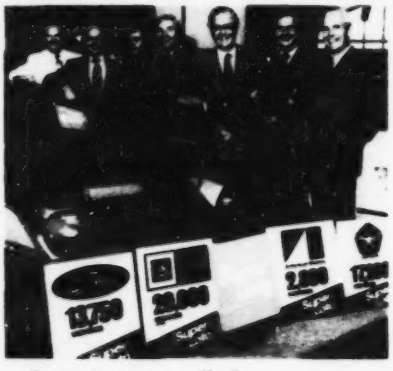
John Van Camp, controller

GROWTH OF CORPORATION

When Wintario held its first draw on May 15, 1975, it was impossible to predict the growth and acceptance Ontario lotteries would experience. From this modest beginning, four games have been added, generating eight-year profits of $860 million. These monies have been dedicated to sports, cultural, recreational, health, environmental, social service and hospital-related projects across the province.

As the number of games expanded, an evolution in game design took place to reflect a more sophisticated player base. More prizes, bonus draws and special promotions were developed, many suggestions coming from players themselves.

"Christmas Is for Children", an album written, produced and performed entirely by Canadians, was offered at no extra charge with the purchase of the $20 Christmas Tri-Pack. Comprised of Wintario, Provincial and Super Loto tickets, the Tri-Pack promotion was a repeat of last year to celebrate the festive season.



Super Loto travelled a new avenue with the introduction of 1,000 cars as bonus prizes in July and August. Consumers shared in $10 million-worth of automobiles, while the Canadian automotive industry benefited both in sales and jobs for employees. Pictured above (from the left) are lottery and auto executives Richard Colcomb (General Motors), Larry Curry (American Motors Corporation), Doug Glynn (United Auto Workers of America), the Honourable Reuben Baetz, Minister of Tourism and Recreation, Moe Closs (Chrysler Canada), Lottery Corporation President, D. Norman Morris and Ken Wright (Ford).

wintario

ONTARIO yours to discover!

Wintario, the live, travelling draw show also offered players a chance to visit vacation areas across the province. Every month for six months, beginning in March, 1983, bonus prizes of weekend packages for two to various Ontario tourist resorts were available.

Mascots for our ho[illegible] grown lotteries, Winnie the Wintario Bear and Lottario Early Bird, travelled extensively across Ontario, participating in local community events with the travelling Public Relations display.

EIGHT YEAR REVIEW

OPERATING HIGHLIGHTS (in thousands of dollars)

	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83
SALES					323,787	490,333	506,896	550,096
COMMISSIONS					28,292	41,203	41,397	44,136
PRIZES					187,733	270,324	271,893	293,663
TOTAL OPERATING EXPENSES					22,196	36,702	44,974	55,133
INTEREST INCOME					4,250	6,728	8,888	6,373
					92,344*	148,833	157,520	163,537
NUMBER OF GAMES				3	4	4	4	5

*After Extraordinary Expenses

FRESH CONCEPTS REVITALIZE GAME

Wintario has beaten all odds when it comes to popularity and longevity.

Eight years and 294 draws later, Wintario has stood the test of time in an ever-changing marketplace. And it's this adaptability that's maintained Wintario's success with Ontario lottery players.

Fiscal year 1982/83 produced $197 million in gross sales, providing $44 million in net profit, dedicated to sports, fitness, recreational and cultural activities, for communities and groups to share.

More than 15.3 million prizes valued at $170.4 million were available during the year. They ranged from free books of tickets to $550,000 and included 271 grand prizes of $100,000.

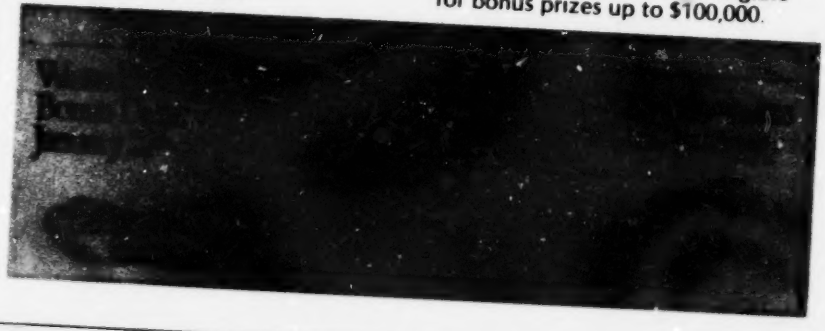
In April, 1982, 'Snowball', a jackpot bonus prize beginning at $100,000 and increasing $50,000 weekly until drawn, was added to Wintario's prize structure. Running for 35 weeks, the largest 'Snowball' prize offered was $550,000.

'Snowball' winner, Donald Henderson, received his $250,000 cheque from Winnie the Bear. A Toronto resident, Henderson planned to purchase a new home with his windfall from the October 7, 1982 draw.

wintario

Wintario's live, televised draw show continued to be a player favourite, with average weekly audiences of 600,000—one of Global Television's highest-rated programs. Hosts Faye Dance and Greg Beresford anchor the show, broadcast from a different Ontario community every Thursday at 9:00 p.m.

During the year, Wintario offered over $4 million in unclaimed prize money through two three-week bonus extravaganzas, the 'Giant' and 'Whale of a Bonus' draws. Specially-printed tickets, with a bonus stub containing six-digit and week numbers, were attached to the regular ticket. Tickets purchased over the three weeks were eligible for bonus prizes up to $100,000.



Consumer product prizes added a new dimension to Wintario's prize format. The Mystery bonus wheel, shown with Corporation staffer Mary O'Neill, selects cash or merchandise prizes each week.

Cash prizes, valued at $50, $500 and $10,000 are offered as well as Ontario-produced merchandise prizes. The Mystery bonus prize began on February 3, 1983, and during the remainder of the fiscal year, 417 product prizes were available, contributing thousands of production hours for Ontario manufacturers.

Dave Toffoli knew exactly what he was going to do with his $100,000 Wintario windfall. Pictured with his wife Leona, the 30-year-old plumber from Newmarket paid off his house. Dave, who usually buys one book of Wintario tickets each week, discovered his win in the May 27, 1982 draw in the newspaper.

LOTTARIO: THE PLAYERS' PICK

Lottario, the world's first on-line lotto game, continued its enormous success with Ontario lottery players.

With over $203 million in sales, Lottario maintained last year's $3.9 million average weekly sales level. Over $73 million in net profit were generated for capital endeavours with province-wide impact in sports, fitness, recreational and cultural areas.

Lottario prizewinners shared over seven million prizes worth $101.6 million during the fiscal year. All 62 Jackpot prizes, ranging from $66,526 to $1.1 million, were claimed.

Lottario players enjoyed active participation through picking their own numbers. Weekly ticket sales reached $5.87 million during October when the largest Lottario Jackpot ever offered, over $2 million, was shared by three lucky winners.

Lottario's host, Bill Lawrence, has anchored the five-minute draw show since it began in November, 1978. Broadcast every Saturday at 11 p.m., the draw can be seen on the Global Television Network.

In their second commercial, award-winning 'Miss Penelope' and 'Mr. Hall' explained Lottario offered more cash prizes than any other Ontario lottery, a fact that has sustained keen player interest in the game.

Early Bird continued to persuade consumers to buy their tickets before the close of business on Wednesday in order to be eligible for the special $50,000 prize pool. Early Bird accounted for 62% of total sales.

Caterina Legendre wanted to give her husband, Raymond, something special for Father's Day. And it was easy when the Timmins native collected $10,109.40 on the May 29, 1982 Lottario draw. The couple also paid bills from their newly-formed business with their winnings.

Terrence Tanchioni will remember the October 30, 1982 Lottario draw for the rest of his life. In that draw, the 32-year-old Windsor resident not only won a second prize, but two fourth prizes as well. His total winnings: $50,408.40.

FRIDAY STILL $500,000 DAY

Exciting theme promotions and bonus draws complemented Provincial's regular format, which remained virtually unchanged from last year.

The seven-digit decomposable number offered, on average, 50,000 prizes per draw, with each ticket valid for five consecutive weeks.

Recording over $50 million in sales, the $5 weekly Provincial game generated $16 million in net proceeds dedicated to health and environmentally-related health research and the Trillium Foundation.

Provincial players across Canada were eligible for approximately 3.6 million prizes valued at $74.1 million. Topping the list were 52 grand prizes of $500,000.

Santa, goblins, leprechauns and elves alike participated in four theme-oriented bonus draws offering almost $7.9 million in additional prizes. On August 13 and October 29, 13 bonus prizes of $131,313.13 were drawn as Black Cat bonus prizes.

Santa's elves were busy on December 24 in the 'Night Before Christmas' draw, filling 20 potential stockings with $100,000 cheques. And the luck o' the Irish was the theme for the St. Patrick's Day bonus draw on March 18, offering 50 prizes of $50,000.

The Guy/Gal Friday summer promotion offered instant cash prizes to players holding current Provincial tickets. The Guy/Gal Friday team, all summer students, randomly approached people in malls, shops and main streets asking if they could produce a Provincial ticket. In all, 38,220 instant winners shared in $808,500 worth of extra prizes of $5 to $5,000.

The weekly Provincial winning number is broadcast every Friday over the Global Television Network at approximately 5:59 and 11:10 p.m.

St. Catharines resident Una Lihou now knows how important it is to fill in the back of your ticket, even when claiming a small prize. Mrs. Lihou, pictured with husband Lloyd, saw their Provincial prize from the December 17, 1982 draw mushroom from $25 to $500,000 when a redemption error was detected by the Lottery Corporation's Prize Office. Luckily, Mrs. Lihou had signed her ticket and she collected the other $499,975 three months later.

Little did Kirk Tanner know that his boss' $5 Provincial stocking stuffer would grow into a $100,000 Christmas bonus. But that's exactly what happened to the Toronto resident when he captured a bonus prize in the 'Night Before Christmas' bonus draw. Tanner, a security guard, planned to purchase a home for his wife and five children.

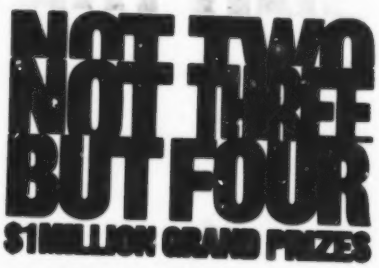
It happens every Friday, but Gunter Katzur still considers Saturday his lucky day. Why? Because the Espanola native both purchased and discovered his $50,000 Provincial win on a Saturday. Pictured with wife Claire, he banked his winnings from the April 9, 1982 draw and planned for an early retirement.

MILLION DOLLAR GAME DRIVES HOME

For Super Loto, fiscal year 1982/83 was the most exciting ever. Game innovations, stimulating bonus draws and more winners than ever before kept players across Canada involved in the only game to offer $1 million prizes regularly.

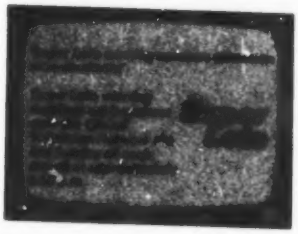
The fiscal year saw Super Loto sales in Ontario of $48 million, raising $14 million in net proceeds dedicated to health and environmentally-related health research and the Trillium Foundation.

During the year, Super Loto generated approximately 5.8 million prizes across Canada, ranging from free tickets to $1 million, worth $128.9 million. In all, 46 $1 million and 55 $100,000 prizes were available.



Starting in May, Super Loto offered four grand prizes of $1 million—twice as many as before. In addition, five prizes of $100,000 and a new 'tic-tac-toe' instant feature were added to the game.

After winning $100,000 in Super Loto's May 30, 1982 draw, Alfred and Gertrude Zmija planned to invest their windfall to secure their retirement. Residents of Kitchener, they participate regularly in Super Loto, purchasing one ticket per draw.



Now it's Super Auto Loto!
1,000 Canadian cars to be Super Loto prizes
Lottery a 'positive step' for auto market
Car lottery provides 50,000 work hours
1,000 CARS UP FOR GRABS
New auto puts socko in Loto ...

Newspaper headlines told the success story of Super Loto's auto promotion. Creating more than 50,000 work-hours for automotive employees, the promotion provided the 'big four' auto manufacturers with $10-million-worth of production.

Six Mississauga office workers discovered a lost ticket doesn't necessarily mean a ticket has lost. It took two months to find, but when Anne McMahon, Donna Van Gent, Danette Zelinski, Margaret Ford (pictured above, left to right), Arlene Johnson and Katharine Troughton found their February 27, 1983 Super Loto ticket, they instantly became shareholders in the $1 million prize.

Antonio Gallardo thought he was seeing double when he checked the newspaper for July's Super Loto auto bonus draw results. Antonio beat astronomical odds when his ticket number 284B391 was drawn twice, entitling the Toronto resident to two Oldsmobile Cutlass Supremes. The second vehicle went to his sister, Cora, who purchased the ticket for him.

NEWEST LOTTO CANADIAN SUCCESS

Billed as the 'Biggest Little Game in Town', Lotto 6/49 is the only on-line game offered across Canada.

Lotto 6/49 recorded Ontario sales of more than $51 million, generating net proceeds of $15 million dedicated to health and environmentally-related health research and the Trillium Foundation.

Since it began on June 12, 1982, Lotto 6/49 has made more than $63 million available to over 2.6 million prizewinners across Canada. Every Jackpot prize, ranging from $708,298 to $3.89 million, was claimed.

With sales steadily increasing, Lotto 6/49 set a sales record of $5.7 million during the week preceding the March 26, 1983 draw which offered a $3.89 million Jackpot, the largest tax-free Jackpot in North American history.

Lotto 6/49 players select six numbers from a field of 1 through 49 by marking them on Lotto 6/49's unique selection slip. Playing procedure is identical to Lottario; selection slips are fed into the computer terminal, which generates the ticket.

Dan and Georgina Mangan of Guelph, pictured with the Honourable Reuben Baetz, Minister of Tourism and Recreation, can truly say they picked their October 2, 1982 $2.2 million Lotto 6/49 Jackpot out of a hat. Numbering pieces of paper '1' through '49', the Mangans mixed them in a hat, selecting six at random. The couple planned to invest their windfall.

Hosted by Thomas Gibney, Lotto 6/49 is televised every Saturday just before 6 p.m. on the CTV Television Network. The nation-wide broadcast allows viewers to check their numbers in Lotto 6/49's guaranteed $500,000 minimum Jackpot. This fiscal year, six Jackpots exceeded $1 million, while a $10 prize for matching three of six regular numbers comprised the lower end of the prize totem.

Three janitors from Hamilton's Dominion Foundries and Steel Company really cleaned up in the February 19, 1983 Lotto 6/49 draw. Left to right are Fiorangelo Rosati, Silvo Verticchio and Dante Fidanza, who shared the $1.1 million prize. The men banked their money, planning for a comfortable retirement.

THE LOTTERY CYCLE

Lotteries have been part of Ontario's entertainment industry for eight years. And from the beginning, lottery tickets have been available to players in every part of this province. Getting tickets to each area, the draw and claiming prizes are all part of the lottey cycle.

Every lottery ticket begins life at a printer. Wintario, Provincial and Super Loto tickets are produced by security printers, incorporating a number of security features to ensure game integrity. Lottario and Lotto 6/49 tickets are produced by computer terminals at the point of purchase.

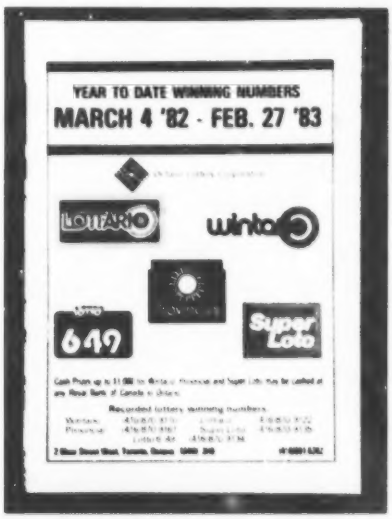
Once Wintario, Provincial and Super Loto tickets are printed, they enter the distribution network. A team of 46 dedicated men and women—the Corporation's distributors—are responsible for servicing 19,000 retail outlets in every part of the province. Their goal is simple: to ensure tickets are available wherever there is demand.

WHO PLAYS LOTTERIES*

Simply put, almost everyone. Public opinion research indicates 85% of Ontario households have played Wintario at one time or another. As the chart indicates, lottery players come from every age, income, occupation and education group.

male			51%		
female			49%		
Ages					
male	18-24	6.9%	female	18-24	7.1%
	25-34	10.9%		25-34	11.1%
	35-49	14.4%		35-49	12.3%
	50+	19.0%		50+	18.4%
Education					
public school					11.9%
some high school					26.9%
high school					28.6%
some post secondary					7.2%
community college					16.4%
university					7.6%
Household income					
under $10,000					7.9%
$10,000-$20,000					20.3%
$20,000-$30,000					24.3%
$30,000-$50,000					29.5%
$50,000+					10.3%

*percentage of Ontario lottery players

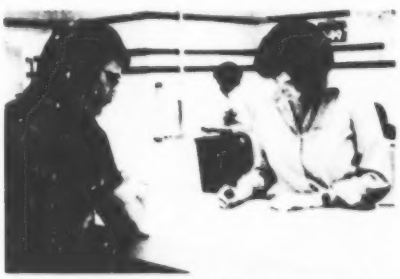


Lottery tickets expire with the generation of winning numbers in random-chance draws. The results are available on television, in newspaper ads, from news media, retail outlets and branches of the Royal Bank of Canada. Results are also available from the Corporation by recorded message or in folders such as this.

HOW MUCH DO PLAYERS SPEND

On average, players purchase only a ticket or two per draw. Research conducted over the past eight years has consistently shown players do not spend a lot of time or money on lottery tickets. Currently, 61% of Ontario adults play lotteries at least once every two months. Participation by game and spending patterns are as follows:

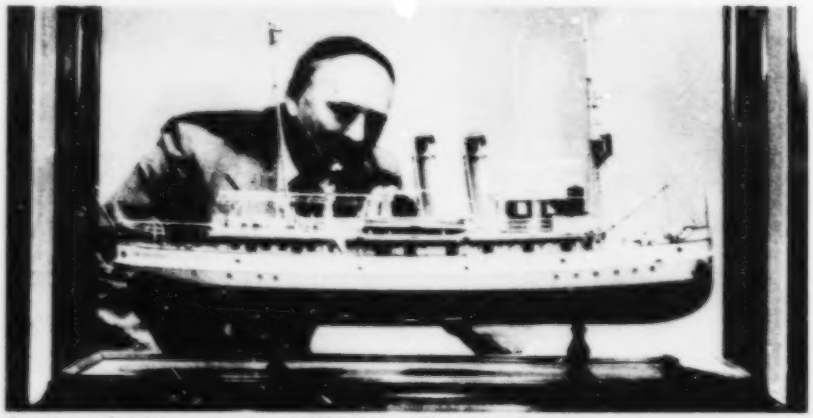
	% Ontario adults played in last eight weeks	Spent last purchase
Wintario	47.1	39.4% spent $1 95.0% spent $5 or less
Lottario	29.1	27.5% spent $1 82.6% spent $5 or less
Provincial	18.7	70.0% spent $5
Super Loto	6.9	86.4% spent $10
Lotto 6/49	9.5	31.7% spent $1 84.1% spent $5 or less



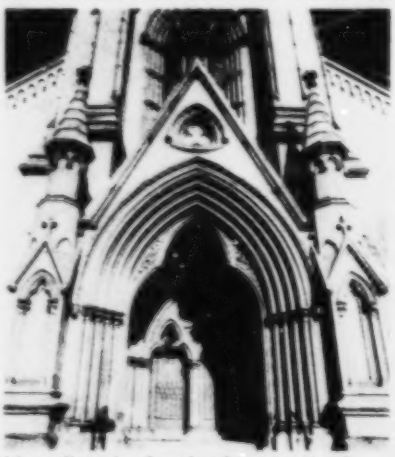
For some tickets, the lottery cycle ends with the claiming of prizes. Prizes can be claimed in a number of ways: participating retail outlets redeem small prizes, while Ontario branches of the Royal Bank of Canada cash Wintario, Provincial and Super Loto cash prizes of up to $1,000. All cash prizes may be claimed through the Corporation, either by mail or in person at the Toronto Prize Office.

During the fiscal year, over 19 million prizes worth $250 million were claimed, representing 90% of all the prizes available in Ontario. All unclaimed prizes, as in past years, remain in the prize fund for one year after which they are transferred to a special account and returned to players as bonus prizes.

GRANTS



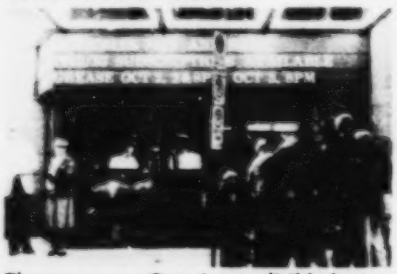
Grants to museums guarantees our heritage will remain alive.



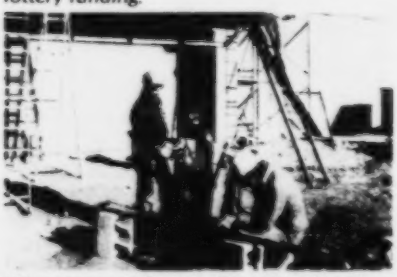
Many Ontario churches have received lottery grants.

Research into acid rain is carried out with assistance from Provincial proceeds.

Special library services receive funding as do conventional libraries.



Theatres across Ontario are eligible for lottery funding.



Wintario capital grants have stimulated almost $1.5 billion in construction and related activities.

We all know one way to win a lottery is to be a prizewinner.

But there is another way to win, as millions of Ontarians have discovered. These are the people, organizations, groups and communities that have received lottery grants.

During fiscal year 1982/83, $163 million in net profit/proceeds were raised by government-operated lotteries. Dedicated through nine provincial ministries, these monies were channelled back into Ontario, creating a ripple of social, scientific and economic benefit.

In economic terms, grant dollars have been especially supportive to Ontario's construction industry. Arenas, theatres, community centres and hospitals either built or restored through the capital grants programs have created a double-edged effect for construction and community growth.

Capital projects were funded by the Wintario, Lottario and Super Loto lotteries. Wintario and Lottario grants supported sports, fitness, recreational and cultural activities, while Super Loto proceeds were dedicated to hospital capital programs. In eight years, almost $504 million have been generated through these three lotteries for capital building purposes.

Wintario's capital grant system has funnelled $283 million into capital projects. Adding the partial funding the grant recipient or group must raise to receive the grant, the total impact in direct construction activity has reached more than $700 million. This, in turn, grew into a $1.5 billion contribution to Ontario's economy when spin-off and related activities are brought into the picture.

More than 12,000 jobs representing some 16,000 man-years of work can be credited to Wintario's capital grant program alone.

In addition, non-capital assistance provided by Wintario aided programs in sports, fitness, arts, recreation, library, citizenship and heritage. Non-winning Wintario

GRANTS

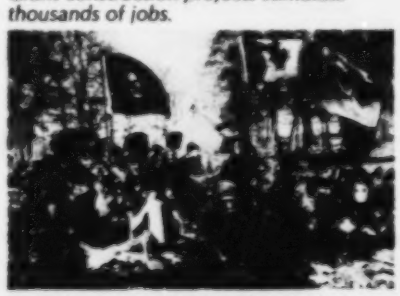
Fitness campaigns in every corner of the province receive lottery dollars.

Ontario's varied cultures receive multiculturalism and citizenship grants.

Funding for competitive sports tunes Canadian athletes for major competitions.

Medical research on many levels is financed by lotteries.

Grant construction projects stimulate thousands of jobs.



Providing recreational facilities aid many youth-oriented organizations.

tickets stimulated the publishing industry by offering a 50 cent per ticket rebate on the purchase of Canadian books and publications through the Half Back program.

While the ministries of Tourism and Recreation and Citizenship and Culture determine allocation of Wintario and Lottario dollars and Super Loto proceeds were allotted to health-care facilities by the Ministry of Health, seven separate ministries shared in over $16 million generated by the Provincial lottery last year.

Through these ministries, projects in health and environmentally-related health research were set in motion.

Studies into causes and cures of major diseases are being carried out in universities and hospitals across Ontario. In fact, Provincial aid to health research has been dedicated to many different organizations, sharing over $139 million raised since the lottery began in 1976.

Important environmental research is being conducted to safeguard our future, while studies in agriculture are making strides in new growing and production techniques.

THE TRILLIUM FOUNDATION

With the formation of the Trillium Foundation in September, 1982, over 40 province-wide social service organizations became eligible to share up to $15 million in lottery proceeds annually. These monies will provide additional funding to reinforce volunteer fund-raising activities of particular agencies that provide a direct service to the public in the social service field.

In total, $860 million have been generated from Ontario's lotteries since 1975. Whether social or scientific, lottery grants are dedicated to supporting thousands of worthwhile causes across the province.

DISTRIBUTION OF REVENUE

Fiscal year 1982/83 produced $550 million in gross income for the Corporation, a $43 million increase over last year.

Net profit/proceeds enjoyed a $6 million increase as a total of $163 million was generated for sports, fitness, culture, recreation, health and environmentally-related health research and province-wide social service organizations.

The largest share of gross income was returned to players as prizes. $294 million, an increase of $22 million from last year, found its way back to winners in prizes ranging from free books of tickets to $2.2 million.

Distributor and retailer commissions also increased over last year. $44 million was returned to the 46 distributors and 19,000 retailers across the province.

Distributors receive an average of 2.5% for each Wintario, Provincial and Super Loto ticket sold. Retailers receive 8% for each Wintario ticket and 5% for each Provincial and Super Loto ticket sold. On-line agents receive 5% for each Lottario and Lotto 6/49 selection recorded.

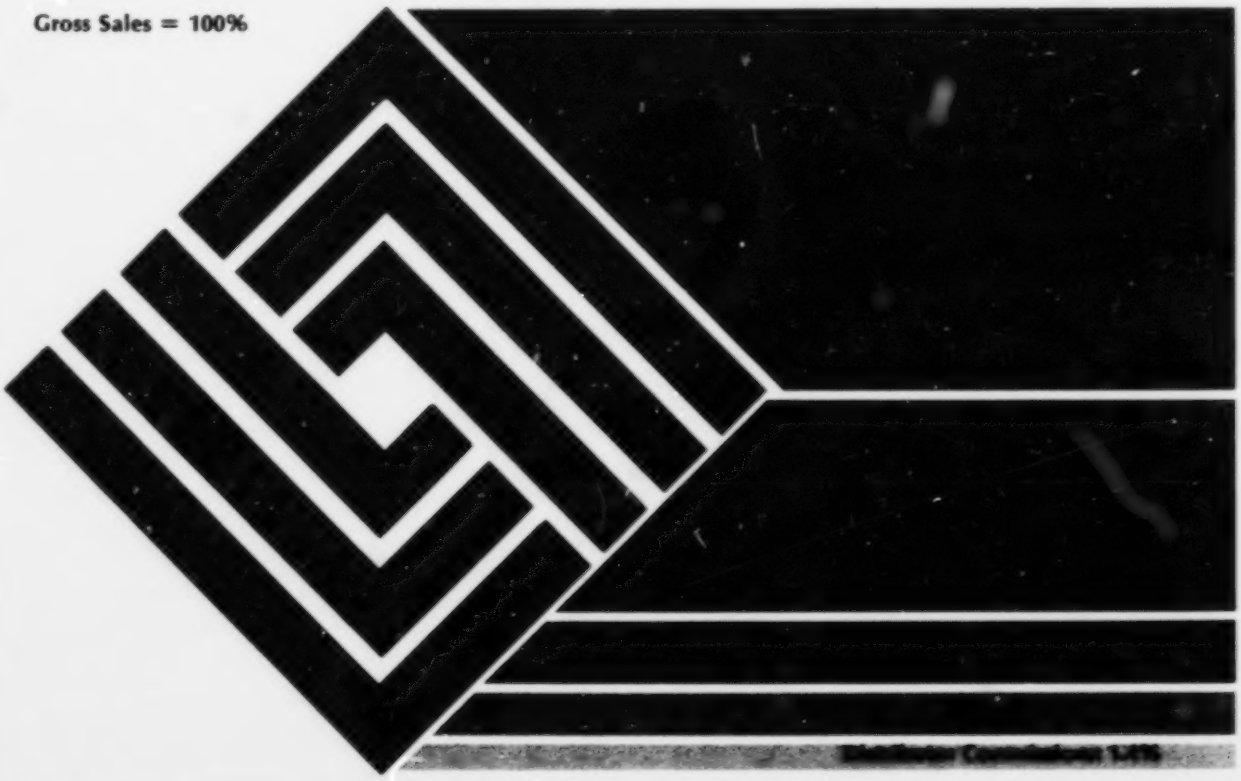
Bonus commissions ranging from $100 to $1,500 were also paid to retailers selling grand prize winning tickets.

But the Corporation was not immune to the economic conditions affecting the entire business community. Increasing costs and decreasing interest rates combined with sales-generating promotions and essential Lotto 6/49 start-up expenses to produce operating costs of $46 million.

This includes $8.7 million paid to the federal government under terms of a 1979 agreement that governed the withdrawal by the federal government from the lottery field at the end of 1979. Since the first installment in 1980, the federal government has received more than $94.5 million from Canada's four provincial lottery jurisdictions. Ontario's total contribution to date is $28.9 million.

HOW LOTTERY DOLLARS ARE DISTRIBUTED

(Fiscal year ending March 31, 1983)



(Incorporated without share capital under the Ontario Lottery Corporation Act)

BALANCE SHEET

AS AT MARCH 31, 1983

		1983 ($000's)	1982 ($000's)
Assets			
	Current assets		
	Cash	**16,240**	9,228
	Prize funds	**35,194**	27,629
	Due from Interprovincial Lottery Corporation	**4,403**	5,045
	Accrued interest	**396**	680
	Accounts receivable	**2,993**	2,058
	Prepaid expenses	**713**	405
		59,939	45,045
Liabilities			
	Current liabilities		
	Prize money unclaimed	**35,194**	27,629
	Net profit/proceeds due to the Treasurer of Ontario (notes 3 and 4)	**4,821**	3,284
	Accounts payable and accrued liabilities	**8,548**	3,020
	Deferred income	**11,376**	11,112
		59,939	45,045

See accompanying notes to financial statements.

On behalf of the Board:

J. Gillard Bowness — *Director*

D R Morris — *Director*

STATEMENT OF NET PROFIT/PROCEEDS

DUE TO THE TREASURER OF ONTARIO FOR THE YEAR ENDED MARCH 31, 1983

	1983 ($000's)	1982 ($000's)
Balance, beginning of year	**3,284**	12,764
Net profit/proceeds for the year		
Wintario	**44,226**	56,124
Lottario	**73,358**	75,627
Provincial	**16,171**	16,550
Super Loto	**14,402**	9,219
Lotto 6/49	**15,380**	-
	163,537	157,520
Less payments to the Treasurer of Ontario on account of net profit/proceeds:		
Wintario (note 3)	**44,000**	61,000
Lottario (note 3)	**73,000**	76,000
Provincial (note 4)	**16,000**	20,000
Super Loto (note 4)	**15,000**	10,000
Lotto 6/49 (note 4)	**14,000**	-
	162,000	167,000
Balance, end of year		
Wintario	**332**	106
Lottario	**1,531**	1,173
Provincial	**823**	652
Super Loto	**755**	1,353
Lotto 6/49	**1,380**	-
	4,821	3,284

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 1983

	1983 ($000's)	1982 ($000's)
Cash ticket sales	**494,671**	448,645
Free tickets	**55,425**	58,251
	550,096	506,896
Less commissions—retailers and distributors	**44,136**	41,397
	505,960	465,499
Prizes		
Wintario—cash	**70,873**	72,673
—free tickets	**46,116**	47,651
Lottario	**101,590**	102,393
	218,579	222,717
Cost of tickets (note 2)		
Provincial	**24,436**	23,825
Super Loto—cash	**18,065**	14,751
—free tickets	**9,309**	10,600
Lotto 6/49	**23,274**	-
	75,084	49,176
Operating expenses		
Advertising	**17,287**	12,825
Ticket printing	**7,483**	6,412
Administration and other expenses	**16,083**	13,174
Payment to Government of Canada (note 5)	**8,677**	8,786
Equipment	**5,603**	3,777
	55,133	44,974
Operating income	**157,164**	148,632
Interest	**6,373**	8,888
Net profit/proceeds for the year	**163,537**	157,520

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1983

1. SIGNIFICANT ACCOUNTING POLICIES

   (a) Basis of Accounting
   The Corporation's financial statements are prepared in accordance with generally accepted accounting principles except for fixed assets which are written off to operations at the time of acquisition.

   (b) Deferred Income
   Revenues received net of expenses incurred for draws held subsequent to March 31st are deferred.

2. PROVINCIAL, SUPER LOTO AND LOTTO 6/49
   Pursuant to section 7(b) of the Ontario Lottery Corporation Act, the Corporation was authorized by the Lieutenant Governor in Council to enter into agreements with other provinces regarding an interprovincial lottery scheme. The Provincial, Super Loto and Lotto 6/49 lotteries are joint undertakings by all provinces acting through the Interprovincial Lottery Corporation, a company incorporated under the Canada Business Corporation Act, the shares of which are held by Her Majesty the Queen in right of the respective provinces.

   The Ontario Lottery Corporation is the Regional Marketing Organization for the Provincial, Super Loto and Lotto 6/49 in Ontario. The Corporation purchases Provincial and Super Loto tickets from the Interprovincial Lottery Corporation and manages the sale of Lotto 6/49 tickets on behalf of the Interprovincial Lottery Corporation in Ontario. The cost of tickets for the three games is composed of the proportional share of prizes based on the number of tickets sold, plus operating expenses less relevent interest earnings of the Interprovincial Lottery Corporation.

3. NET PROFITS—WINTARIO AND LOTTARIO
   Pursuant to section 9 of the Ontario Lottery Corporation Act, the net profits of the Corporation after provision for prizes and the payment of expenses and operations, are payable into the Consolidated Revenue Fund of the Province.

4. NET PROCEEDS—PROVINCIAL, SUPER LOTO AND LOTTO 6/49
   Pursuant to Order in Council 226/83, all moneys attributed to or accruing to Ontario from the Provincial, Super Loto and Lotto 6/49 after providing for prizes and the payment of operating expenses, are payable into the Consolidated Revenue Fund of the Province of Ontario to be held in trust.

5. PAYMENT TO GOVERNMENT OF CANADA
   An agreement was made between the Government of Canada and the Province of Ontario in August 1979 which stipulated that the Government of Canada would withdraw from the sale of lottery tickets effective December 31, 1979. Effective January 1, 1980 the agreement required the provinces to remit quarterly to the Government of Canada the sum of $6 million, appropriately adjusted to reflect the effects of inflation, based on a formula which takes into account each province's population and proportionate ticket sales.

   Ontario's 1982-83 share of the payment was $8,677,000 (1981-82 $8,786,000) and was remitted to the Government of Canada through the Interprovincial Lottery Corporation.

6. INCOME TAXES
   As a Crown Corporation of the Province of Ontario, the Corporation is exempt from income taxes and accordingly no provision is required.

Office of the
Provincial
Auditor.

To the Board of Directors of the Ontario Lottery Corporation and to the Minister of Tourism and Recreation.

I have examined the balance sheet of the Ontario Lottery Corporation as at March 31, 1983 and the statements of operations and net profit/proceeds due to the Treasurer of Ontario for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

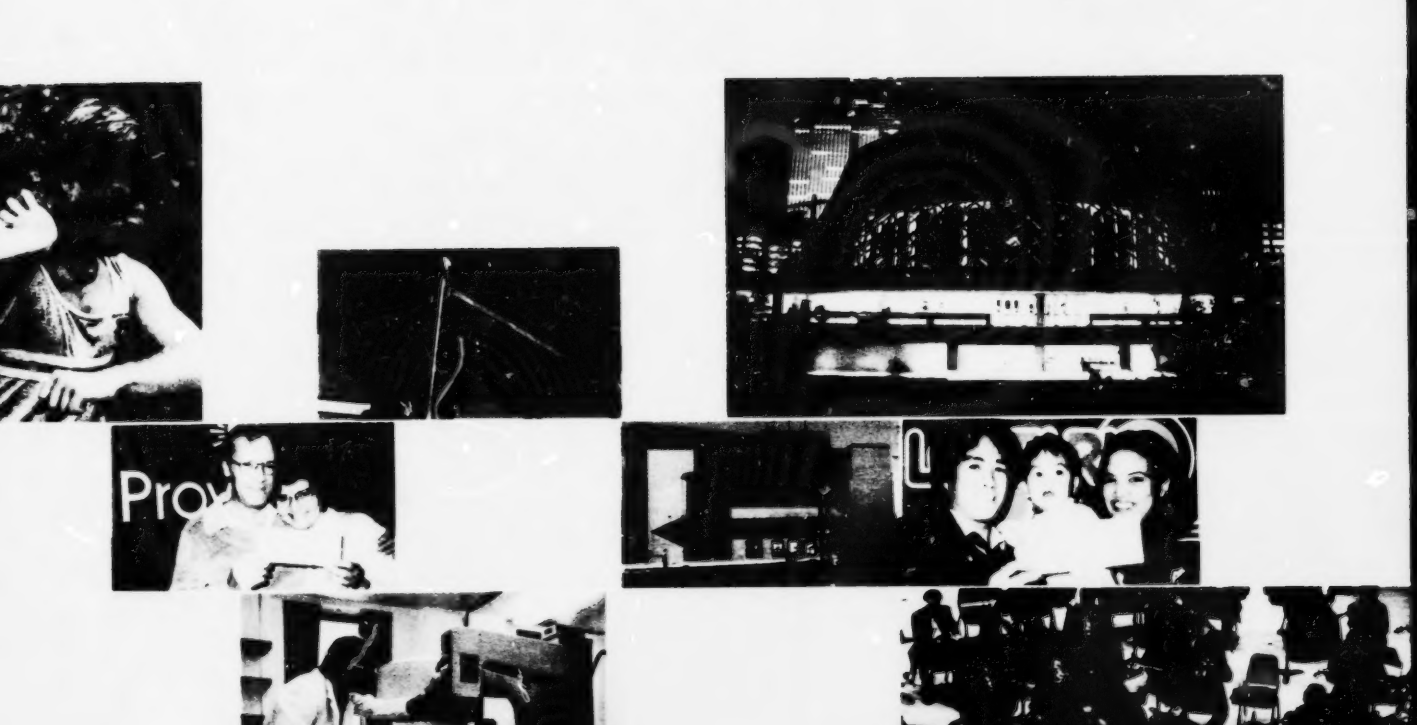
In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1983 and the results of its operations for the year then ended in accordance with the accounting policy described in Note 1a to the financial statements, applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Corporation and to the Minister.

J.F. Otterman

J.F. Otterman, C.A.
Assistant Provincial Auditor

Toronto, Ontario
August 5, 1983



The Ontario Lottery Corporation
2 Bloor Street West
Toronto, Ontario
M4W 3H8

Prize Office
Mezzanine floor
Cumberland Terrace
(416) 961-6262

Winning Numbers

Wintario	(416) 870-9170
Lottario	(416) 870-9122
Provincial	(416) 870-9161
Super Loto	(416) 870-9135
Lotto 6/49	(416) 870-9134

Ontario
Ministry of Tourism and Recreation
Hon. Reuben C. Baetz
Minister
John R. Sloan
Deputy Minister

POOR

QUALITY

ORIGINAL